

State Revolving L_o - Black Oak Sewers

Debt Service Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
7/15/99			240,424.54	240,424.54	
1/15/00	657,000.00	4.000000	240,424.54	897,424.54	1,137,849.08
7/15/00			227,284.54	227,284.54	
1/15/01	683,000.00	4.000000	227,284.54	910,284.54	1,137,569.08
7/15/01			213,624.54	213,624.54	
1/15/02	711,000.00	4.000000	213,624.54	924,624.54	1,138,249.08
7/15/02			199,404.54	199,404.54	
1/15/03	739,000.00	4.000000	199,404.54	938,404.54	1,137,809.08
7/15/03			184,624.54	184,624.54	
1/15/04	769,000.00	4.000000	184,624.54	953,624.54	1,138,249.08
7/15/04			169,244.54	169,244.54	
1/15/05	800,000.00	4.000000	169,244.54	969,244.54	1,138,489.08
7/15/05			153,244.54	153,244.54	
1/15/06	832,000.00	4.000000	153,244.54	985,244.54	1,138,489.08
7/15/06			136,604.54	136,604.54	
1/15/07	865,000.00	4.000000	136,604.54	1,001,604.54	1,138,209.08
7/15/07			119,304.54	119,304.54	
1/15/08	899,227.00	4.000000	119,304.54	1,018,531.54	1,137,836.08
7/15/08			101,320.00	101,320.00	
1/15/09	935,000.00	4.000000	101,320.00	1,036,320.00	1,137,640.00
7/15/09			82,620.00	82,620.00	
1/15/10	973,000.00	4.000000	82,620.00	1,055,620.00	1,138,240.00
7/15/10			63,160.00	63,160.00	
1/15/11	1,012,000.00	4.000000	63,160.00	1,075,160.00	1,138,320.00
7/15/11			42,920.00	42,920.00	
1/15/12	1,052,000.00	4.000000	42,920.00	1,094,920.00	1,137,840.00
7/15/12			21,880.00	21,880.00	
1/15/13	1,094,000.00	4.000000	21,880.00	1,115,880.00	1,137,760.00
7/15/13					
12,021,227.00			3,911,321.72	15,932,548.72	
12,021,227.00			3,911,321.72	15,932,548.72	

ed 1/15/99 with Delivery of 1/15/99
 d Years 97,783.043
 age Coupon 4.000000
 age Life 8.134198
 C 4.000000 Using 100.0000000
 C 4.000000 From Delivery Date
 itrage Yield 4.000000

o-Muni Debt Date: 07-01-1999 @ 09:41:33 Filename: SRP Key: CARY

Balance as of 1/15/01 \$10,681,227

Gary Only Bond
 Issued

SANITARY DISTRICT OF THE C. OF GARY, INDIANA
SPECIAL TAXING DISTRICT REFUNDING BONDS, SERIES 2003

Debt Service Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
8/ 1/ 3			84,558.54	84,558.54	
2/ 1/ 4	1,200,000.00	2.000000	220,587.50	1,420,587.50	1,505,146.04
8/ 1/ 4			208,587.50	208,587.50	
2/ 1/ 5	1,055,000.00	2.500000	208,587.50	1,263,587.50	1,472,175.00
8/ 1/ 5			195,400.00	195,400.00	
2/ 1/ 6	1,075,000.00	3.000000	195,400.00	1,270,400.00	1,465,800.00
8/ 1/ 6			179,275.00	179,275.00	
2/ 1/ 7	1,105,000.00	3.500000	179,275.00	1,284,275.00	1,463,550.00
8/ 1/ 7			159,937.50	159,937.50	
2/ 1/ 8	1,140,000.00	4.000000	159,937.50	1,299,937.50	1,459,875.00
8/ 1/ 8			137,137.50	137,137.50	
2/ 1/ 9	1,180,000.00	3.250000	137,137.50	1,317,137.50	1,454,275.00
8/ 1/ 9			117,962.50	117,962.50	
2/ 1/10	1,215,000.00	4.500000	117,962.50	1,332,962.50	1,450,925.00
8/ 1/10			90,625.00	90,625.00	
2/ 1/11	1,260,000.00	3.750000	90,625.00	1,350,625.00	1,441,250.00
8/ 1/11			67,000.00	67,000.00	
2/ 1/12	1,310,000.00	5.000000	67,000.00	1,377,000.00	1,444,000.00
8/ 1/12			34,250.00	34,250.00	
2/ 1/13	1,370,000.00	5.000000	34,250.00	1,404,250.00	1,438,500.00
	11,910,000.00		2,685,496.04	14,595,496.04	
CCRUED			2,685,496.04	14,595,496.04	
	11,910,000.00				

ed 5/22/ 3 with Delivery of 5/22/ 3
 id Years 64.137.750
 rage Coupon 4.187076
 rage Life 5.385202
 C 4.166486 † Using 100.1108779
 C 4.132214 † From Delivery Date
 itrage Yield 3.972926 †

Insurance:
 .500000 † of (Total Debt Service Only) = 218,932.44

GARY STORMWATER MANAGEMENT DISTRICT

Gary, Indiana

Schedule of Proforma Storm Water User Charge Rates and Estimated Annual Revenues to Eliminate Property Tax Levy for Storm Water Management

Class	Estimated No. of Units	ERU Factor	Equiv. ERU	Monthly Cost	Estimated Annual Revenue
Residential					
Single Family	20,000	1.00	20,000	\$7.50	\$1,800,000
Multi-Family Unit	2,220	0.75	1,665	\$5.63	149,850
Non-residential					
Commercial					
Category 1 (0 - 5,000 SF)	1733	1.00	1,733	\$7.50	155,970
Category 2 (5,001 - 40,000 SF)	96	4.00	384	\$30.00	34,560
Category 3 (40,001 - 100,000 SF)	39	12.00	468	\$90.00	42,120
Category 4 (Over 100,000 SF)	58	20.00	1,160	\$150.00	104,400
Institutional					
Category 1 (0 - 5,000 SF)	147	1.00	147	\$7.50	13,230
Category 4 (Over 100,000 SF)	16	20.00	320	\$150.00	28,800
Industrial					
Category 1 (0 - 5,000 SF)	20	1.00	20	\$7.50	1,800
Category 2 (5,001 - 40,000 SF)	2	4.00	8	\$30.00	720
Category 3 (40,001 - 100,000 SF)	3	12.00	36	\$90.00	3,240
Category 4 (Over 100,000 SF)	3	20.00	60	\$150.00	5,400
Total	24,337		26,001		\$2,340,090
Storm Water Operating Budget			\$2,014,733		
Provision for Bad Debts (15%)			302,210		
Total Revenue Required			\$2,316,943		
Annual Cost per ERU			\$89.11		
Monthly Cost per ERU			\$7.43		
		SAY	\$7.50		

Note: The number of users within each category has been estimated. The above schedule will need to be updated to result in the number of customers and to determine the categories. The above is one method to estimate the Storm Water User Fees with four categories.

ID YEAR CO TYPE KEY

BUDGET ESTIMATE FOR

Gary Storm Water Management District
(Office, Board, Commission, Department, Institution or Fund)

(If City, Town or Fire Protection District Budget, Enter Name)

(If County Budget, Enter County Name)

For Calendar Year 2009

FUND 677 - STORM WATER MANAGEMENT FUND		Items	Total Estimate	MS4
1 PERSONAL SERVICES				
Salaries and Wages				
41110	Salaries and Wages - Full Time	55,000.00		55,000.00
41110	Salaries and Wages - Full Time	36,715.00		36,715.00
41120	Salaries and Wages - Part Time	20,600.00		20,600.00
			\$ 112,315.00	
Employee Benefits - Full Time				
41560	Health Insurance	4,870.00		4,870.00
41570	Life Insurance	1,728.00		1,728.00
41610	PERF	3,369.00		3,369.00
41620	FICA	8,592.00	\$ 18,559.00	8,592.00
Other Personal Services				
			\$ -	
	Total Personal Services		\$ 130,874.00	
2 SUPPLIES				
Office Supplies				
42110	Office Supplies			
			\$ -	
Operating Supplies				
			\$ -	
Repair and Maintenance Supplies				
			\$ -	
Other Supplies				
			\$ -	
	Total Supplies		\$ -	

		Items	Total Estimate	MS4
3 OTHER SERVICES AND CHARGES				
Professional Services				
43110	Legal	100,000.00		
43110	Engineering & Surveying	350,000.00		50,000.00
43110	Financial & Accounting	50,000.00		
43110	Inspections/Mapping/Sewer Marketing	60,000.00		60,000.00
43110	C.B. Engineering Assistance	5,000.00		5,000.00
			\$ 565,000.00	
Communication and Transportation				
43200	Travel	2,000.00		
			\$ 2,000.00	
Printing and Advertising				
43320	Printing & Advertising	9,500.00		7,000.00
			\$ 9,500.00	
Insurance				
43410	Liability Insurance	10,000.00		
			\$ 10,000.00	
Utility Services				
43510	Purchase Power - Storm Water Lift Stations	10,000.00		
			\$ 10,000.00	
Repairs and Maintenance				
43610	Contractual Services	830,871.00		
43610	Lake Co. Soil & Conservation District	7,301.00		7,301.00
43610	NIRPC	28,187.00		28,187.00
43610	Local Outreach Activity	10,000.00		10,000.00
43610	Datamine Assistance Part-Time	5,000.00		5,000.00
43610	Information System Management Programs	5,000.00		5,000.00
			\$ 886,359.00	
Rentals				
			\$ -	
Debt Service				
			\$ -	
Other Services and Charges				
43900	Bank Charges	1,000.00		
			\$ 1,000.00	
Total Other Services and Charges			\$ 1,483,859.00	\$ 308,362.00

		Items	Total Estimate	MS4
4 CAPITAL OUTLAYS				
Land				
			\$ -	
Buildings				
			\$ -	
Improvements Other Than Buildings				
44910	Storm Water Drainage Facilities	400,000.00		
			\$ 400,000.00	
Machinery and Equipment				
			\$ -	
Other Capital Outlays				
			\$ -	
Total Capital Outlay			\$ 400,000.00	
TOTAL BUDGET ESTIMATE			\$ 2,014,733.00	\$ 308,362.00

(I) (We) herby certify that the foregoing is a true and fair estimate of the necessary expense of the _____

Board of Directors
(Name of Office, Board, Commission, Department, Institution or Fund)

for the calendar year 2009 for the purposes therein specified.

Dated this _____ day of _____, 2009.

President

Vice-President

Secretary

Director

Director

GARY SANITARY DISTRICT
Gary, Indiana

Proforma Statement of Net Revenues
for Sewer Operating Property Tax Levies
Added to the Sewer User Charge Fees

	Unadjusted Proforma	(A)	Adjustments	Ref.	Proforma	Percentage Increase/ Coverage
<u>Operating Revenues (A)</u>						
Customer Revenues	\$ 21,207,795		\$ 5,100,000	(1)	\$ 26,307,795	<u>24.05%</u>
Contract Customers User Charge Revenues	3,747,410		-		3,747,410	
Surveillance Charges	116,925		-		116,925	
Excess Strength Surcharges	66,287		-		66,287	
Dumping Coupons	38,000		-		38,000	
Tap-on Fees	29,850		-		29,850	
Interest Income	36,721		-		36,721	
Miscellaneous Income	400,000		-		400,000	
Total Operating Revenues	<u>25,642,988</u>		<u>5,100,000</u>		<u>30,742,988</u>	
<u>Operating and Maintenance Expenditures (B)</u>						
Sewer Collection, Plant Operation and Maintenance	13,633,000		5,100,000	(2)	18,733,000	
Customer Accounts	1,920,116		-		1,920,116	
Administration and General	3,927,316		-		3,927,316	
Total Operating and Maintenance Expenditures	19,480,432		5,100,000		24,580,432	
Replacement of Equipment Costs	<u>1,500,000</u>		<u>-</u>		<u>1,500,000</u>	
Total Operating and Maintenance Expenditures and Replacement of Equipment Costs	<u>20,980,432</u>		<u>5,100,000</u>		<u>26,080,432</u>	
Net Operating Revenues	<u>4,662,556</u>		<u>-</u>		<u>4,662,556</u>	
<u>Local Capital Charges</u>						
Debt Service on Combined Revenue Bonds	3,316,040		-		3,316,040	<u>140.61%</u>
Capital Additions	100,000		-		100,000	
Total Local Capital Charges	<u>3,416,040</u>		<u>-</u>		<u>3,416,040</u>	
Net Revenues	\$ 1,246,516		\$ -		\$ 1,246,516	

(A) Unadjusted Proforma amounts from Sewer Rate Report dated February 2008 after applying 85% sewer rate increase.

(1) To adjust customer revenues for the estimated annual increase in user fees to eliminate sewer operating funds from property tax levies.

(2) To adjust O&M for the 2009 Sewer Operating Fund \$5,100,000 budget amounts from property tax levies.

GARY SANITARY DISTRICT
Gary, Indiana

Schedule of Current and Proforma User Charges
for Sewer Operating Property Tax Levies
Added to the Sewer User Charge Fees

	<u>Current Rates</u>	<u>Proforma Rates</u>	<u>Increase/ Decrease</u>
Operation Maintenance and Replacement			
Charges per 1,000 gallons	\$ 5.42	\$ 6.72	\$ 1.30
Local Capital Charges per 1,000 gallons	1.08	1.34	0.26
Total User Charges per 1,000 gallons	<u>\$ 6.50</u>	<u>\$ 8.06</u>	<u>\$ 1.56</u>
Unmetered Rate - Average Usage 6,000 gallons per month	<u>\$ 39.00</u>	<u>\$ 48.36</u>	<u>\$ 9.36</u>

Excess Strength Surcharge Rates
Rates per Pound of the Following Constituents

CBOD for concentrations greater than 170 mg/l	\$ 0.12	\$ 0.12	\$ -
Suspended Solids for concentrations greater than 200 mg/l.	\$ 0.31	\$ 0.31	\$ -
Ammonia for concentrations greater than 25 mg/l.	\$ 0.13	\$ 0.13	\$ -
Phosphorous for concentrations greater than 7 mg/l.	\$ 1.65	\$ 1.65	\$ -

Industrial Surveillance Charges

Surveillance Charge per test (sample)	\$ 350.00	\$ 350.00	\$ -
Application Fees	\$ 50.00	\$ 50.00	\$ -
Permit Fee	\$ 500.00	\$ 500.00	\$ -
Permit Renewal Fee	\$ 300.00	\$ 300.00	\$ -

Note: User charge rates for contract customers are negotiated in separate contracts.

GARY SANITARY DISTRICT
Gary, Indiana

Schedule of Typical Monthly Bill Analysis
for Sewer Operating Property Tax Levies
Added to the Sewer User Charge Fees

<u>Gallons</u>	Current <u>Charges</u>	(1)	Proforma <u>Charges</u>	(2)	Dollar <u>Increase</u>
1,000	\$ 6.50		\$ 8.06		\$ 1.56
2,000	13.00		16.12		3.12
3,000	19.50		24.18		4.68
4,000	26.00		32.24		6.24
4,500	29.25		36.27		7.02
5,000	32.50		40.30		7.80
6,000	39.00		48.36		9.36
7,000	45.50		56.42		10.92
8,000	52.00		64.48		12.48
9,000	58.50		72.54		14.04
10,000	65.00		80.60		15.60
11,000	71.50		88.66		17.16
12,000	78.00		96.72		18.72
13,000	84.50		104.78		20.28
14,000	91.00		112.84		21.84
15,000	97.50		120.90		23.40
16,000	104.00		128.96		24.96
17,000	110.50		137.02		26.52
18,000	117.00		145.08		28.08
19,000	123.50		153.14		29.64
20,000	130.00		161.20		31.20

- (1) User charge fee increase of 85% was effective June 1, 2008. Prior to June 1, 2008, the sewer user charge fees were \$3.50 per 1,000 gallons.
- (2) Proforma user charge fees if sewer operating property tax levies are eliminated.

GARY SANITARY DISTRICT
Gary, Indiana

Proforma Statement of Net Revenues
for Sewer Operating & Debt Service Property Tax Levies
Added to the Sewer User Charge Fees

	Unadjusted Proforma	(A)	Adjustments	Ref.	Proforma	Percentage Increase/ Coverage
<u>Operating Revenues (A)</u>						
Customer Revenues	\$ 21,207,795	\$	7,659,041	(1)	\$ 28,866,836	<u>36.11%</u>
Contract Customers User Charge Revenues	3,747,410		-		3,747,410	
Surveillance Charges	116,925		-		116,925	
Excess Strength Surcharges	66,287		-		66,287	
Dumping Coupons	38,000		-		38,000	
Tap-on Fees	29,850		-		29,850	
Interest Income	36,721		-		36,721	
Miscellaneous Income	400,000		-		400,000	
Total Operating Revenues	<u>25,642,988</u>		<u>7,659,041</u>		<u>33,302,029</u>	
<u>Operating and Maintenance Expenditures (B)</u>						
Sewer Collection, Plant Operation and Maintenance	13,633,000		7,659,041	(2)	21,292,041	
Customer Accounts	1,920,116		-		1,920,116	
Administration and General	<u>3,927,316</u>		<u>-</u>		<u>3,927,316</u>	
Total Operating and Maintenance Expenditures	19,480,432		7,659,041		27,139,473	
Replacement of Equipment Costs	<u>1,500,000</u>		<u>-</u>		<u>1,500,000</u>	
Total Operating and Maintenance Expenditures and Replacement of Equipment Costs	<u>20,980,432</u>		<u>7,659,041</u>		<u>28,639,473</u>	
Net Operating Revenues	<u>4,662,556</u>		<u>-</u>		<u>4,662,556</u>	
<u>Local Capital Charges</u>						
Debt Service on Combined Revenue Bonds	3,316,040		-		3,316,040	<u>140.61%</u>
Capital Additions	<u>100,000</u>		<u>-</u>		<u>100,000</u>	
Total Local Capital Charges	<u>3,416,040</u>		<u>-</u>		<u>3,416,040</u>	
Net Revenues	<u>\$ 1,246,516</u>	<u>\$</u>	<u>-</u>		<u>\$ 1,246,516</u>	

(A) Unadjusted Proforma amounts from Sewer Rate Report dated February 2008 after applying 85% sewer rate increase.

(1) To adjust customer revenues for the estimated annual increase in user fees to eliminate debt service and sewer operating funds from property tax levies.

(2) To adjust O&M for the 2009 Debt Service of \$2,559,041 and Sewer Operating Fund \$5,100,000 budget amounts

GARY SANITARY DISTRICT
Gary, Indiana

Schedule of Current and Proforma User Charges
for Sewer Operating & Debt Service Property Tax Levies
Added to the Sewer User Charge Fees

	<u>Current Rates</u>	<u>Proforma Rates</u>	<u>Increase/ Decrease</u>
Operation Maintenance and Replacement			
Charges per 1,000 gallons	\$ 5.42	\$ 7.38	\$ 1.96
Local Capital Charges per 1,000 gallons	1.08	1.47	0.39
Total User Charges per 1,000 gallons	<u>\$ 6.50</u>	<u>\$ 8.85</u>	<u>\$ 2.35</u>
Unmetered Rate - Average Usage 6,000 gallons per month	<u>\$ 39.00</u>	<u>\$ 53.10</u>	<u>\$ 14.10</u>
Excess Strength Surcharge Rates			
Rates per Pound of the Following Constituents			
CBOD for concentrations greater than 170 mg/l	\$ 0.12	\$ 0.12	\$ -
Suspended Solids for concentrations greater than 200 mg/l.	\$ 0.31	\$ 0.31	\$ -
Ammonia for concentrations greater than 25 mg/l.	\$ 0.13	\$ 0.13	\$ -
Phosphorous for concentrations greater than 7 mg/l.	\$ 1.65	\$ 1.65	\$ -
Industrial Surveillance Charges			
Surveillance Charge per test (sample)	\$ 350.00	\$ 350.00	\$ -
Application Fees	\$ 50.00	\$ 50.00	\$ -
Permit Fee	\$ 500.00	\$ 500.00	\$ -
Permit Renewal Fee	\$ 300.00	\$ 300.00	\$ -

Note: User charge rates for contract customers are negotiated in separate contracts.

GARY SANITARY DISTRICT

Gary, Indiana

Schedule of Typical Monthly Bill Analysis
for Sewer Operating & Debt Service Property Tax Levies
Added to the Sewer User Charge Fees

<u>Gallons</u>	Current <u>Charges</u>	(1)	Proforma <u>Charges</u>	(2)	Dollar <u>Increase</u>
1,000	\$ 6.50		\$ 8.85		\$ 2.35
2,000	13.00		17.70		4.70
3,000	19.50		26.55		7.05
4,000	26.00		35.40		9.40
4,500	29.25		39.83		10.58
5,000	32.50		44.25		11.75
6,000	39.00		53.10		14.10
7,000	45.50		61.95		16.45
8,000	52.00		70.80		18.80
9,000	58.50		79.65		21.15
10,000	65.00		88.50		23.50
11,000	71.50		97.35		25.85
12,000	78.00		106.20		28.20
13,000	84.50		115.05		30.55
14,000	91.00		123.90		32.90
15,000	97.50		132.75		35.25
16,000	104.00		141.60		37.60
17,000	110.50		150.45		39.95
18,000	117.00		159.30		42.30
19,000	123.50		168.15		44.65
20,000	130.00		177.00		47.00

- (1) User charge fee increase of 85% was effective June 1, 2008. Prior to June 1, 2008, the sewer user charge fees were \$3.50 per 1,000 gallons.
- (2) Proforma user charge fees if sewer operating and debt service property tax levies are eliminated.

GARY SANITARY DISTRICT

Proforma Garbage Collection and Recycling Fees Assuming Solid Waste Fund Levy is Eliminated

Estimated Annual Costs for Garbage Pick-up and Disposal

23,000 Households at \$21 per unit times 12 months (3)	\$ 5,796,000
Less: Amount Funded from Current Fees	<u>(2,852,400)</u>
Balance of Costs to be Raised through Increase in User Fees	<u><u>\$ 2,943,600</u></u>
Percentage Increase Required	103.20%

Schedule of Current and Proforma Garbage Fees

	<u>Current Fees (1)</u>	<u>Percentage Increase</u>	<u>Required Increase</u>	<u>Proforma Fees (2)</u>
Residential Fees	\$ 12.00	103.20%	\$ 12.39	\$ 24.39
Senior Citizen & Disabled Persons Fees	\$ 7.00	103.20%	\$ 7.22	\$ 14.22

(1) Current Garbage Fees effective January 1, 2009.

(2) Proforma Garbage Fees in order to eliminate solid waste fund property tax levy.
The proforma garbage fees does not include any provision for uncollectible accounts.
If the uncollectible percentage is 15% the proforma garbage fees will need to be:

Residential Fees with allowance ($\$24.38 \times 15\%$) - \$28.04.

Senior Citizen & Disabled Persons Fees with allowance ($\$14.22 \times 15\%$) - \$16.35.

(3) Allied Waste is contracted at \$21 per household for garbage and recycling pick-up.

Estimated number of households: Residential	15,340
Senior Citizens & Disabled Persons	7,660

Draft for Distressed Unit
Appeals Board
02/11/09

CITY OF GARY, INDIANA
EXECUTIVE ORDER NO. 08-01

WHEREAS, the United States of America, the Indiana Stream Pollution Control Board, n/k/a Indiana Department of Environmental Management, the City of Gary and the Gary Sanitary District (GSD) entered into a Modified Consent Decree and Judgment (Decree) which was approved by the Court and dated as of May 12, 2003; and

WHEREAS, the original Decree created the position of Special Administrator to which position the Decree gives plenary authority over the operation and management of the GSD and ultimate responsibility to ensure that the GSD operates in compliance with the Decree, GSD's NPDES Permit, the Clean Water Act and state and federal laws and regulations; and

WHEREAS, under the Decree it is the responsibility of the Special Administrator to ensure that the GSD always raises sufficient revenue to ensure the proper operation, maintenance, equipment replacement of, and necessary improvements to, the GSD's facilities; and

WHEREAS, expert engineering studies of the GSD's facilities, compiled in the August, 1998 Facility Plan adopted by the Board of Commissioners of the GSD (Board), demonstrate that due to excessive age, wear and deterioration, the GSD must implement in excess of \$250 Million Dollars (Two Hundred Fifty Million Dollars) in repairs and improvements to its facilities within the next twenty (20) years in order to meet the requirements of the Decree, its NPDES Permit, the Clean Water Act and the needs of its customers. Greeley and Hansen, GSD's contract compliance officer is recommending at least \$33 Million Dollars (Thirty Three Million Dollars) in capital improvements be made in the next five (5) years; and

WHEREAS, the Board, in order that the GSD can meet its responsibilities under the Decree, its NPDES Permit and the Clean Water Act and can provide proper service to its customers, unanimously approved GSD Resolution SD 08-05 on March 11, 2008 which increases rates and charges for customers of the GSD to the extent recommended by the GSD's financial consultant, Cender & Company, L.L.C., in its Report to the GSD dated February 7, 2008 to meet the GSD's financial needs; and

WHEREAS, Mayor Rudolph Clay is the Special Administrator of the GSD as a result of being so appointed by the Court by its Order of June 2, 2006; and

WHEREAS, in compliance with the requirements of the Decree, the Special Administrator filed his Report with the Court concerning the need for the increase in GSD's rates and charges, the GSD's Board's approval of GSD Resolution SD 08-05, the request of the Special Administrator and to approve the increase in GSD's rates and charges on June 1, 2008; and

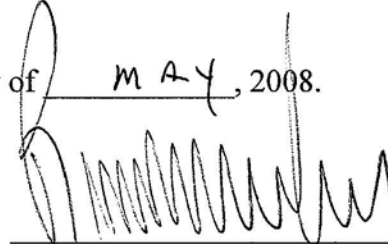
WHEREAS, none of the parties to the Decree filed any objections to the Special Administrator's Report; and

WHEREAS, absent such an objection being filed with the Court and absent any order to the contrary by the Court, the Decree provides the rates and charges contained in the Special Administrator's Report become effective fourteen (14) days after the filing of the Report; and

WHEREAS, the Court has not issued any order inhibiting the implementation of the increase in the GSD's rates and charges contained in the Special Administrator's Report to the Court.

IT IS THEREFORE DECLARED AND ORDERED that all of the increased rates and charges set forth in GSD Resolution SD 08-05 approved by the Board on March 11, 2008, a copy of which is attached thereto, shall be effective as to any usage or activities occurring after May 31, 2008 and shall remain in full force and effect until such time as they are properly changed.

SO DELCARED AND ORDERED this 17 day of MAY, 2008.



Mayor Rudolph Clay, Special Administrator

Attest:

Hamilton L. Camouch

**GARY SANITARY DISTRICT
RESOLUTION NO. SD08-05**

**A RESOLUTION AMENDING AND FIXING
THE SCHEDULE OF SEWER RATES AND CHARGES TO BE
COLLECTED BY THE GARY SANITARY DISTRICT FROM THE OWNERS
OF PROPERTY SERVED BY THE SEWAGE WORKS OF THE DISTRICT**

WHEREAS, the Board of Sanitary Commissioners ("Board") has heretofore fixed and established sewer charges and surcharges to be collected by the Gary Sanitary District ("District") from the owners of property served by the District's sewage works pursuant to a Modified Consent Decree and Judgment 2002, dated as of May 12, 2003 ("Consent Decree") between and among the City of Gary ("City"), the District, the United States of America, and the Indiana Department of Environmental Management, as successor to the Indiana Stream Pollution Control Board; and

WHEREAS, the Consent Decree established the position of Special Administrator for the purpose of bringing the District's waste water treatment system in compliance with the Consent Decree, the District's National Pollutant Discharge Elimination System ("NPDES") permit and the Clean Water Act; and

WHEREAS, the Consent Decree provides that the Special Administrator shall have full power and authority to control, manage and operate the entire waste water treatment system; and

WHEREAS, the Consent Decree required the City to provide funding sufficient to meet the requirements of the Consent Decree, the NPDES permit and its successors, and the Clean Water Act, and granted the Special Administrator the power and authority to increase sewer rates and charges as needed to provide adequate funding to insure the proper operation, maintenance and equipment replacement needs of the District and its waste water treatment plan and compliance with the Consent Decree, the NPDES permit and the Clean Water Act; and

WHEREAS, the Mayor of the City is the current Special Administrator; and

WHEREAS, the Special Administrator has previously established the District's sewage rates and charges in accordance with the Consent Decree; and

WHEREAS, the existing rates and charges are set forth in Executive Order No. 00-1 adopted October 2, 2000, and Resolution No. 00-58 as previously adopted by the Board (collectively, "Rate Resolution"); and

WHEREAS, the District has caused a financial study of the District's sewage works to be made by its financial advisor, Cender & Company, L.L.C.; and

WHEREAS, based upon the advice of the financial advisor, the Board finds that it is necessary to increase the rates and charges of the sewage works to provide sufficient monies to pay operating expenses, replacements and improvements and debt service on the Bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SANITARY COMMISSIONERS OF THE GARY SANITARY DISTRICT:

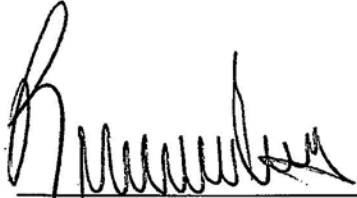
Section 1. The rates and charges of the Gary Sanitary District are as follows:

<u>USER CLASSIFICATION</u>	<u>RATE - PER MONTH</u>
City of Gary	\$5.42 per 1,000 gallons of metered water of waste discharge for operation, maintenance and replacement.
	\$1.08 per 1,000 gallons of metered water of waste discharge for capital costs.
Unmetered Rate - Average Usage 6,000 gallons per month	\$39.00
Excess Strength Surcharge Rates <u>per Pound of the Following Constituents</u>	
CBOD for concentrations greater than 170 mg/l	\$0.12
Suspended solids for concentrations greater than 200 mg/l	\$0.31
Ammonia for concentrations greater than 25 mg/l	\$0.13
Phosphorus for concentrations greater than 7 mg/l	\$1.65
<u>Industrial Surveillance Charges</u>	
Surveillance Charge per test/sample	\$350.00
Application Fees	\$50.00
Permit Fee	\$500.00
Permit Renewal Fee	\$300.00
<u>Outside Subscribers</u> -Hobart Sanitary District, Lake Station Sanitary District and Merrillville Conservancy District	Per negotiated contract

Section 2. In all other respects, the Rate Resolution shall remain in full force and effect.

Section 3. This resolution shall be in full force and effect from and after its passage.

Passed and adopted by the Board of Sanitary Commissioners of the Gary Sanitary District this 11th day of March, 2008.



Mayor/Special Administrator



Director

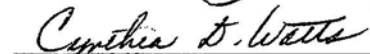
BOARD OF SANITARY COMMISSIONERS
OF THE GARY SANITARY DISTRICT



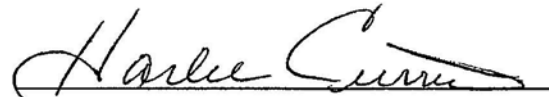
President



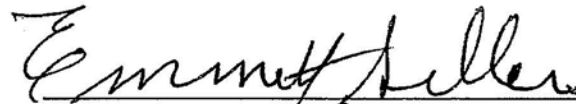
Vice President



Secretary



Commissioner



Commissioner

**GARY SANITARY DISTRICT
BOARD OF COMMISSIONERS
RESOLUTION #SD 08-41**

**A RESOLUTION ESTABLISHING A GARBAGE COLLECTION
FEE FOR THE COLLECTION OF TRASH, GARBAGE, AND
REFUSE WITHIN THE CITY OF GARY, INDIANA**

WHEREAS, pursuant to Indiana Code § 36-9-30-5, the Gary Sanitary District (the "District") is authorized to contract for the collection or disposal of solid waste; and

WHEREAS, the District desires to provide for the public health and welfare of the residents of the City of Gary, Indiana (the "City") by the collection and disposal of solid waste; and

WHEREAS, pursuant Indiana Code § 36-9-30-21 and § 36-1-3-8(6), the District may impose service charges or fees for the collection and disposal of solid waste so long as such charges or fees are reasonable and just for such services; and

WHEREAS, the District has investigated the cost of providing trash collection services and determined an amount to be charged for such services, that amount herein determined to be reasonable and just; and

WHEREAS, the District has held a public hearing as provided by IC 36-9-30(21)(f) and has received comments from all members of the public wishing to be heard.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE GARY SANITARY DISTRICT, as follows:

SECTION 1. The Board of Commissioners now finds that all requirements for the adoption of a trash collection fee have been met.

SECTION 2. The Board of Commissioners now finds that the proposed fee as adopted herein is determined to be reasonable and just for the provision of trash collection services.

SECTION 3. Trash Collection.

Definitions. The following words, terms and phrases, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Garbage means all putrescible animal solid and vegetable solid wastes resulting from the processing, handling, preparation, cooking, serving, or consumption of food or food materials.

Trash means all non-putrescible solid waste, including ashes, paperboard, paper, rags, small pieces of metal and wood, excelsior, rubber, leather, crockery, and other waste materials that ordinarily accumulate around a home. It shall not include garbage, bulk refuse, dead animals, hazardous materials, industrial waste, or building waste resulting

from the operations of a contractor or other commercial business.

Residential Dwelling Unit means a single family residential unit or a multi-family unit containing no more than four (4) family living units on a single parcel of land.

Collection of Trash; Fees.

(a) No person shall place within the City any garbage or trash in any street, alley or other public place or upon any private property, whether owned by such person or not, except in proper containers for collection or under express approval granted by the enforcement officer designated by the City.

(b) No person shall cast, place, sweep or deposit within the City any garbage or trash in such a manner that it may be carried or deposited by the elements upon any street, sidewalk, alley, sewer or other public place.

(c) Every owner, occupant and tenant of any building, house or structure on grounds where garbage or trash accumulates shall provide for the collection and disposal of said items in order to prevent the unsanitary accumulation thereof.

(d) The District shall provide for collection and disposal of garbage, trash and recyclable materials from all residential dwelling units within the City no less than one time each week. The District shall provide for collection of heavy trash no less than one time per month.

(e) It is the responsibility of every owner, occupant or tenant to provide a proper system of disposal of garbage, trash and recyclables for all commercial, retail, industrial, professional, apartment, institutional, church or governmental units. The District shall have no obligation to collect and dispose of any garbage, trash or recyclables of any commercial, retail, industrial, professional, apartment, institutional, church or governmental units.

(f) The District shall establish all routes for collection and shall be authorized to establish reasonable rules and regulations pertaining to said collection.

(g) Garbage, trash and recyclable materials shall be placed back of the curb or at the edge of the street, not in the street. Where collection is made in the alley, containers shall be placed back on the property and not in the alley.

(h) All garbage, trash shall be bagged and be placed in provided containers. All recyclables shall be placed in provided recycling containers. The only exceptions to having trash bagged and placed in provided containers is on heavy trash pickup days when heavy trash items are allowed to be placed in back of the curb or at the edge of the street, not in the street.

(i) In addition to any other remedies, pursuant to Indiana Code § 36-9-30- 21(j), if the fee is not paid within 30 days after its is due, the District shall have the right to bring a civil action to recover any delinquent charges together with a penalty of ten percent (10%) and reasonable attorney's fee.

Garbage Collection Fee

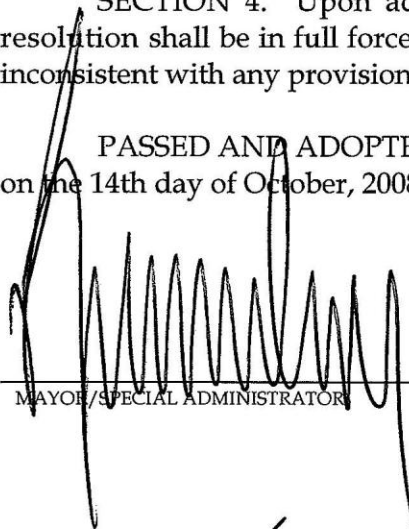
A garbage collection fee shall be assessed for each parcel of real estate or building served by the city garbage collection service. The city garbage collection service shall serve each single-family residential unit and each multi-family unit containing no more than four (4) family living units on a single parcel of land. However, garbage will not be picked up from and no fee will be charged to a multi-family residential structure of more than four (4) family living units. The fee is established for a single family residential unit and for multi-family units not to exceed four units at a charge of \$12.00 per month per unit served. The fee shall be reduced to \$7 per month per unit served in the event that the head of such household is over the age of 65 years, or is disabled. In order to qualify for the reduced fee, the head of such household who is over the age of 65 years or is disabled must provide written proof of his or her eligibility at the Gary Sanitary District offices.

Charges to the customer shall not commence before January 1, 2009 or as the Board of Commissioners deems necessary.

Regardless of how payments may be designated, partial payments of combined trash collection, recycling and sewer bill shall be applied first to the trash, recycling and heavy trash collection bill, and second to the sewer bill. A copy of this resolution shall be kept on file in the office of the Finance Director of the District, Office of the Board Administrative Office, and the Controller of the City.

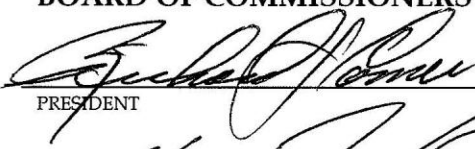
SECTION 4. Upon adoption by the Board of Commissioners of the District, this resolution shall be in full force and effect. All prior Resolutions or parts thereof which may be inconsistent with any provision of this Resolution are hereby repealed.

PASSED AND ADOPTED by the Board of Commissioners of the Gary Sanitary District on the 14th day of October, 2008.


MAYOR/SPECIAL ADMINISTRATOR


DIRECTOR


GARY SANITARY DISTRICT BOARD OF COMMISSIONERS


PRESIDENT


VICE-PRESIDENT


SECRETARY


COMMISSIONER


COMMISSIONER